



COMPONENT UNITS – DISCRETELY PRESENTED

Component units are legally separate entities for which the State is financially accountable. Accountability is defined as the State's substantive appointment of a majority of the component unit's governing board. Furthermore, the State must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific benefits to, or impose specific financial burdens on the State. The State has applied the criteria outlined in GASB Statement No. 14, The Financial Reporting Entity, in determining financial accountability. These component units are included in the financial reporting entity because of the significance of their operational or financial relationships with the State.

Nonmajor component units are comprised of the following entities:

- N.C. State Ports Authority
- N.C. Agricultural Finance Authority
- N.C. Global TransPark Authority
- N.C. Biotechnology Center
- N.C. Partnership for Children, Inc.
- Rural Economic Development Center
- Regional Economic Development Commissions
- North Carolina Railroad Company
- N.C. Health Insurance Risk Pool

This section also includes a statement of cash flows for the State Health Plan, a major component unit, which does not issue separate financial statements.

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR COMPONENT UNITS**

June 30, 2012

(Dollars in Thousands)

	N.C. State Ports Authority	N.C. Agricultural Finance Authority	N.C. Global TransPark Authority	N.C. Biotechnology Center	N.C. Partnership for Children, Inc.	Rural Economic Development Center
Assets						
Cash and cash equivalents.....	\$ 4,065	\$ 13,203	\$ 7,312	\$ 23,543	\$ 1,408	\$ 91,689
Investments.....	9,792	—	—	539	1,240	74,867
Receivables, net.....	7,405	68	268	1,605	560	703
Due from component units.....	—	—	—	—	—	—
Due from primary government.....	—	—	1,559	—	—	—
Inventories.....	599	1	—	—	—	—
Prepaid items.....	1,203	—	—	136	107	63
Notes receivable, net.....	—	3,945	—	3,002	—	3,115
Deferred charges.....	995	—	—	—	—	—
Restricted/designated cash and cash equiv...	3,562	—	1,054	—	431	—
Restricted investments.....	—	—	—	—	233	—
Deferred outflow of resources.....	206	—	—	—	—	—
Capital assets-nondepreciable.....	73,361	—	32,098	—	—	—
Capital assets-depreciable, net.....	221,987	31	228,774	12,430	135	3,284
Total Assets.....	<u>323,175</u>	<u>17,248</u>	<u>271,065</u>	<u>41,255</u>	<u>4,114</u>	<u>173,721</u>
Liabilities						
Accounts payable and accrued liabilities.....	3,003	3	1,337	8,069	855	801
Interest payable.....	880	—	96	—	—	—
Due to primary government.....	24	—	3,449	—	—	—
Unearned revenue.....	323	—	17	—	551	12,229
Advance from primary government.....	—	—	24,671	—	—	—
Deposits payable.....	—	—	—	—	—	—
Funds held for others.....	—	2,430	3	—	66	—
Hedging derivatives liability.....	206	—	—	—	—	—
Long-term liabilities:						
Due within one year.....	2,339	1	448	16	129	—
Due in more than one year.....	97,624	21	7,265	56	—	126
Total Liabilities.....	<u>104,399</u>	<u>2,455</u>	<u>37,286</u>	<u>8,141</u>	<u>1,601</u>	<u>13,156</u>
Net Assets						
Invested in capital assets, net of related debt.....	196,511	31	228,226	12,358	135	3,284
Restricted for:						
Expendable:						
Health and human services.....	—	—	—	—	37	—
Economic development.....	3,562	—	1,054	998	—	149,900
Unrestricted.....	18,703	14,762	4,499	19,758	2,341	7,381
Total Net Assets.....	<u>\$ 218,776</u>	<u>\$ 14,793</u>	<u>\$ 233,779</u>	<u>\$ 33,114</u>	<u>\$ 2,513</u>	<u>\$ 160,565</u>

Exhibit G-1

Regional Economic Development Commissions	North Carolina Railroad Company	N.C. Health Insurance Risk Pool	Total
\$ 2,283	\$ 2,137	\$ 9,641	\$ 155,281
844	—	28,367	115,649
136	2,883	2,931	16,559
247	—	—	247
—	—	—	1,559
17	—	—	617
36	39	560	2,144
576	—	—	10,638
—	—	—	995
—	65,205	—	70,252
—	—	—	233
—	—	—	206
67	15,370	—	120,896
841	75,268	4	542,754
<u>5,047</u>	<u>160,902</u>	<u>41,503</u>	<u>1,038,030</u>
64	1,917	15,496	31,545
—	—	—	976
—	—	—	3,473
99	—	1,559	14,778
—	—	—	24,671
—	62	—	62
—	—	8	2,507
—	—	—	206
24	—	—	2,957
18	—	—	105,110
<u>205</u>	<u>1,979</u>	<u>17,063</u>	<u>186,285</u>
908	90,638	4	532,095
—	—	—	37
1,058	65,188	—	221,760
2,876	3,097	24,436	97,853
<u>\$ 4,842</u>	<u>\$ 158,923</u>	<u>\$ 24,440</u>	<u>\$ 851,745</u>

COMBINING STATEMENT OF ACTIVITIES **NONMAJOR COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2012

(Dollars in Thousands)

	N.C. State Ports Authority	N.C. Agricultural Finance Authority	N.C. Global TransPark Authority	N.C. Biotechnology Center	N.C. Partnership for Children, Inc.	Rural Economic Development Center
Total expenses	\$ 40,042	\$ 3,118	\$ 13,592	\$ 19,710	\$ 99,567	\$ 61,702
Program revenues:						
Charges for services	39,553	472	2,054	212	—	—
Operating grants and contributions:						
State aid - program	—	—	—	330	91,958	29,628
Other operating grants and contributions ..	144	156	238	1,122	1,186	7,394
Capital grants and contributions:						
State capital aid	116	—	—	—	—	—
Other capital grants and contributions	739	—	4,238	—	—	—
Net program (expense) revenue	510	(2,490)	(7,062)	(18,046)	(6,423)	(24,680)
Non-tax general revenues:						
State aid - general	—	—	1,152	17,551	4,948	1,302
Miscellaneous	—	—	—	134	189	559
Total non-tax general revenues	—	—	1,152	17,685	5,137	1,861
Change in net assets	510	(2,490)	(5,910)	(361)	(1,286)	(22,819)
Net assets — July 1, as restated	218,266	17,283	239,689	33,475	3,799	183,384
Net assets — June 30	<u>\$ 218,776</u>	<u>\$ 14,793</u>	<u>\$ 233,779</u>	<u>\$ 33,114</u>	<u>\$ 2,513</u>	<u>\$ 160,565</u>

Exhibit G-2

Regional Economic Development Commissions	North Carolina Railroad Company	N.C. Health Insurance Risk Pool	Total
\$ 3,838	\$ 15,024	\$ 82,258	\$ 338,851
56	16,485	65,327	124,159
—	—	—	121,916
944	800	188	12,172
—	2,667	—	2,783
17	—	—	4,994
(2,821)	4,928	(16,743)	(72,827)
2,440	—	3,855	31,248
471	3,418	—	4,771
2,911	3,418	3,855	36,019
90	8,346	(12,888)	(36,808)
4,752	150,577	37,328	888,553
<u>\$ 4,842</u>	<u>\$ 158,923</u>	<u>\$ 24,440</u>	<u>\$ 851,745</u>

STATEMENT OF CASH FLOWS
MAJOR COMPONENT UNIT

June 30, 2012

Exhibit G-3

(Dollars in Thousands)

	State Health Plan
Cash Flows From Operating Activities:	
Receipts from customers.....	\$ 2,761,010
Payments to suppliers.....	(159,889)
Payments to employees.....	(3,311)
Payments for prizes, benefits, and claims.....	(2,465,388)
Other payments.....	(148)
Net cash flows provided (used) by operating activities.....	<u>132,274</u>
Cash Provided From (Used For)	
Noncapital Financing Activities:	
Grant receipts	99,746
Principal payments on borrowing.....	(2,631)
Total cash provided from (used for) noncapital financing activities.....	<u>97,115</u>
Cash Provided From (Used For)	
Investment Activities:	
Investment earnings.....	3,016
Total cash provided from (used for) investment activities.....	<u>3,016</u>
Net increase (decrease) in cash and cash equivalents.....	232,405
Cash and cash equivalents at July 1.....	269,946
Cash and cash equivalents at June 30.....	<u><u>\$ 502,351</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided From (Used For) Operating Activities:	
Operating income.....	\$ 73,815
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation.....	4
(Increases) decreases in assets:	
Receivables.....	33,114
Increases (decreases) in liabilities:	
Accounts payable and accrued liabilities.....	(2,968)
Due to primary government.....	2
Compensated absences.....	(14)
Unearned revenue.....	8,478
Medical claims payable.....	19,843
Total cash provided from (used for) operations.....	<u><u>\$ 132,274</u></u>